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1929 AND NOW

THE EDITORS

THE LABOR MERGER

RICHARD SASULY

What Price Socialism?

HARVEY O'CONNOR

EDITORS . . . LEO HUBERMAN . . . PAUL M. SWEEZY

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NOTES FROM THE EDITORS

Last month we appealed to readers to get out and sell new subs, pointing out that MR's circulation has slightly declined in recent months. Some of our best friends have expressed the view that we shouldn't publish bad news like that. Maybe they're right, but we prefer to think that MR readers on the whole are addicted to the truth and will value the magazine more, and be more ready to make sacrifices for its welfare, if they get the bad news along with the good. You can prove us right, and we'd like nothing better than to have you do it.

We may, however, have given the wrong impression and we hasten to clarify the situation. The subscriptions we have lost were, in the main, trial and gift subs. The mortality rate for such subs is always greater, with all

(*continued on inside back cover*)

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1929 AND NOW . . .

If there were ever any doubts that the stock market crash of 1929 was a genuinely traumatic experience in the life history of the American people, they should be dispelled once and for all by the intense interest which the Fulbright investigation of the current Wall Street boom is evoking. Is it 1929 all over again? The question is being asked with the same sort of combination of fascination and horror that is said to animate the mental process of a cobra's intended victim. Five thousand "experts" have been polled by the Senate Committee, and as the replies come in they are scanned for omens as though they were the entrails of a sacred calf. "Big majority not worried by rise," reports *U. S. News & World Report* in its issue of March 11th: the liver, it seems, is an auspicious shade of purplish-red.

Never having been properly trained in the art of omen-reading, we refrain from adding our own interpretation, begging leave only to point out that if the 1929 experience is any sort of guide there could be nothing more disconcerting than expert optimism. For the rest, non-stock-market comparisons between 1929 and now are likely to be more down-to-earth and rewarding.

Looking back on the period of prosperity which culminated in the 1929 crash, economists have noted the following basic characteristics:

(1) Prices were relatively stable for a number of years prior to and including 1929.

(2) Profits were high, reaching their peak in 1929.

(3) Business expenditures for new plant and equipment followed a similar pattern.

(4) Consumption, including new residential housing, tended steadily upward during the period under review.

(5) Consumer debt, including residential mortgages, expanded sharply.

(6) Despite the rise in total production and income, new investment was enough to provide a wide and perhaps increasing margin of excess productive capacity. The well-known Brookings Institution study of *America's Capacity to Produce* (1934) estimated

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that in 1929 unused capacity, in terms of both capital and labor, was about 20 percent of the available total.

The overall picture can be summarized somewhat as follows: Despite unused plant and unemployed labor, the monopoly elements in the economy were strong enough to prevent prices from falling. With prices stable, advancing productivity, spurred on by technological progress, resulted in falling costs and rising profits. The prompt and continuous reinvestment of profits (the normal capitalist procedure) tended to accentuate the problem of excess capacity and hence to make further investment activity increasingly unattractive. For a number of years, the dilemma was "solved" by lending a large part of profits to consumers to enable them to buy more houses, automobiles, and other durable goods. Since this obviously could not go on forever, however, it is clear in retrospect that the foundations of the boom were always shaky and bound sooner or later to give way. The stock-market crash was thus merely the signal for the collapse, not in any sense its cause.

Let us have a look at the last few years to see whether they display similarities to the pre-1929 period. To facilitate comparison, we can center our attention on the same basic factors: prices, profits, investment, consumption, consumer debt, and excess capacity.

(1) Prices have remained almost unchanged for nearly four years.

(2) Profits, both before and after taxes, have been consistently high, varying within a relatively narrow range since the inflationary spurt touched off by the outbreak of the Korean War.

(3) Business spending for new plant and equipment has likewise been high and has varied within an even narrower range.

(4) Personal consumption, including (or excluding) residential housing, has risen steadily.

(5) Consumer debt in the narrow sense has increased by about 50 percent since 1950; mortgage debt on one-to-four family homes has nearly doubled in the same period. (The combined rate of increase has been somewhat greater than it was even during the late 20s.)

(6) We now come to excess capacity which, it seems to us, is the most critical factor of all. Here, unfortunately, no comprehensive and generally accepted figures are available, but such indications as there are strongly point to the existence of a large volume of unutilized capacity. In a very interesting study entitled "Industrial Capacity and Its Utilization" (*Science & Society,* Fall 1953), Lewis Robb showed that a rough but entirely reasonable index of utilization of manufacturing capacity declined from 100 (that is, full capacity utilization) at the peak of wartime production in 1943, to a mere

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55 (little better than half of capacity utilization) in 1952. Since 1952, additions to capacity have certainly proceeded more rapidly than additions to output, so that excess capacity must be even greater today than it was then. Just how great it is in certain important industries—which there is no reason to suppose are unrepresentative of industry as a whole—can be gathered from data presented in a recent (March 11) *U. S. News & World Report* analysis of the prospects of inflation. In a chart headed "A Brake on Inflation," and bearing the subtitle "Ability to Produce Goods Far Exceeds Present Demands," the following comparisons of estimated 1955 output with estimated 1955 productive capacity are set forth:

Industry	*Output*	*Productive Capacity*
Autos	6.6 million cars	9 million cars
Steel	107.4 million tons	125.8 million tons
Cotton	9 million bales*	13.5 million bales
TV sets	9.2 million per year	12.4 million per year
Electric ranges	92% of 1947-1949	166% of 1947-1949
Refrigerators	78% of 1947-1949	177% of 1947-1949
Vacuum cleaners	73% of 1947-1949	136% of 1947-1949
Furniture	115% of 1947-1949	132% of 1947-1949

* Expected *use* of cotton

The indicated percentages of unused capacity range from a high of 56 percent in the case of refrigerators to a low of 13 percent in the case of furniture, and the mean figure is 30 percent (halfway between autos and cotton). Neither the Robb nor the *U. S. News* figures are strictly comparable with the Brookings figure for 1929, but they certainly point to the same general conclusion, namely, that now as then, excess capacity is a pressing and all but ubiquitous phenomenon in American industry.

A further confirmation, very interesting for other reasons as well, was afforded by the fierce but little publicized price war which shook the heavy electrical equipment industry in January. "At the end of 1953," commented *Business Week*, "the utilities' heavy buying was over, but the manufacturers had built up tremendous capacity for producing equipment. . . . Everyone—with the exception of some utilities—admits that the first major price war in the heavy electrical equipment industry had 'drastic effects.' Big manufacturers, faced with rising costs, are still bleeding. Some of the small manufacturers say they may not recover at all." (February 19, 1955.) Not the least interesting aspect of this episode is that the electrical equipment industry is almost the archetype of an industry dominated by a handful of huge firms (primarily General Electric and Westinghouse, with Allis-Chalmers a poor third). In *Business Week's* euphemistic description, it is a "usually conservative, well-scheduled industry"—in other words, carefully managed with a view to ob-

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taining maximum monopoly profits. A price war in such an industry may well be thought to be one of those premonitory lightning flashes that warns of the storm to come.

There can be no doubt about it—the pattern of economic development during the first half of the 1950s bears striking resemblances to that of the second half of the 1920s. In both periods, prices were stable; profits and investment were high; consumption tended upwards and consumer debt was rapidly rising; and excess capacity was piling up behind the facade of prosperity. BUT—and it is a very big but—there is one big difference between the two periods which must be fully taken into account before we jump to any conclusions about events to come. In the late 1920s, government was playing a marginal role in the American economy; today it is a major factor, coordinate in importance with business and consumers. Some idea of the magnitude of this change can be inferred from the following comparisons of 1929 and 1953, showing the percentage of gross national product accounted for by the government purchases of goods and services:

	1929	*1953*
Federal	1.2%	16.4%
State and Local	6.9	6.8
Total	8.1	23.2

The entire relative change, it will be noted, was accounted for by the enormous expansion in the role of the federal government.

The $64 question today is whether this transformation in the economic role of government makes the whole comparison between then and now misleading. In other words, does the fact of massive government spending mean that the pattern of economic development which led to collapse in 1929 has no tendency to do so in 1955?

The best answer we can give to this question is that the *level* of government spending is *not* a decisive factor, provided it leaves the basic price-profit-investment-consumption pattern unchanged. When the rate of government spending is rising—as during World War II and again from 1950 to 1953—it can lift the whole economy up with it. But when government spending levels off or declines—as it has done in the last year—its capacity for further stimulating the economy vanishes, and the forces operating within the private sector take over. This is precisely what is now happening: *what it means is that only now, when the government is no longer expanding its economic role, does the comparison with the late 20s acquire its full significance.*

If our analysis is correct, if the basic pattern of the late 20s is being repeated, as we believe to be the case, then there can be no doubt about the conclusion to be drawn: the American economy is

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headed for a crisis—though not necessarily a crisis like that of 1929-1933. The institutional changes of the intervening years, while not touching the foundations of the system, have had the effect of removing some of its most absurd and self-destroying features. Unemployment insurance, farm price supports, and banking reforms—to name only the most important—tend to brake the speed of economic decline and would certainly prevent the kind of ignominious collapse that overtook the American economy after 1929. But these "built-in stabilizers," as the apologists for the system like to call them, can generate no motive power of their own. The economic crisis which now threatens the United States would be slower to develop; it would hardly throw a third of the labor force out of work; it would entail less starvation and destitution. But it is a crisis that threatens all the same; and, given time to develop, there is no reason to suppose that it would be less profound or less world-shaking than the Great Depression and the economic stagnation to which it was the prelude.

Having said this, however, we must immediately add that we are not prophesying a crisis. The forces making for a crisis are in full operation: of this we feel sure. But they *can be* countered, and, indeed, sooner or later they almost certainly *will* be countered. What we do not pretend to know is the timing, the extent, and the precise character of the countermeasures, and without such knowledge attempts at prediction are worse than useless.

It is, of course, reasonably safe to assume that the countermeasures, when they come, will center around government taxing and spending policies. All classes of the American people have learned at least one thing in the last decade and a half, that economic crises are not made in heaven and that the government can deal effectively with them if it is prepared to borrow and spend on a sufficiently grandiose scale. The real problems are likely to concern (a) the timing of action, which will in turn reflect the build-up of political pressures; and (b) the purposes of expanded government spending.

It is in connection with (b) that the opportunities and dangers of the present situation are most clearly visible.

This is not the occasion to discuss the opportunities. We note only that they lie in the general realm of rebuilding our physical and cultural environment. We hope to return to this question in an early issue, and to attempt to give some idea, not of what *could* be done with existing techniques and resources—this problem lies entirely beyond the horizon of capitalist society—but of what *would have* to be done to keep the present American economy on a relatively even keel by peaceful methods.

The dangers of the present situation, alas, are much more im-

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mediate and pressing. The approach of economic crisis comes at a time when the advocates of immediate war with China, sensing that time is running out on them, are desperately seeking to force the country into a situation in the Far East from which there is no escape save through war. Every Dulles speech, every Knowland threat, every Radford indiscretion betokens the sense of urgency which prevails in those sinister circles where the atomic destruction of human civilization is calmly contemplated if not actively plotted. So far their considerable achievements have fallen short of success. They need to marshal their forces for a still greater effort which—who knows?—may be the last allowed them. But above all, they need to *augment* their forces by acquiring new allies if they are to win the day over the forces of conscience, fear, inertia, and intelligence that stand opposed to them.

The greatest danger that faces us now is that they may find their opportunity in the increasingly clouded economic situation. Is more government spending indicated? What easier pretext than a hopeless Far Eastern crisis? What more profitable enterprise than a war with China which may, Admiral Radford is reported to believe, drag on for fifty years?

Thus will the voice of the China Lobby devil whisper in the ears of the conscience-smitten, the frightened, the reluctant. Judging from past experience, can anyone feel secure in the conviction that the voice will not be heeded?

SOCIALISM ADVANCES IN JAPAN

The aspect of the February general election in Japan which has been singled out for special attention in the American press was the gain made by Premier Hatoyama's Democratic Party. Secondarily, the fact that the two large conservative parties (the Liberals and the Democrats) retained a substantial majority in the Diet has been noted and commented upon—generally with satisfaction, since on the whole the United States press is quite as conservative as Japan's leading politicians.

Actually, Hatoyama's gains are of relatively little importance, and it was obvious in advance that the conservatives would continue in the majority. As so often happens these days, the American press missed the real story in the Japanese elections: the solid advance of the socialist parties.

There is even less difference between Liberals and Democrats in Japan than between Republicans and Democrats in the United States. Hatoyama's gains, which were made at the expense of his

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conservative rivals, merely reflect (1) popular disgust with the preceding Liberal regime, and (2) skillful political demagogy on Hatoyama's part. He sensed the popular mood, made all kinds of promises (especially for greater independence in foreign affairs and increased trade with China and the USSR), and walked off with the political swag. But no one who is at all familiar with what goes on behind the scenes in Japan today really expects any drastic changes in Japanese policy. The ruling class is still firmly in the saddle and will make only such changes and concessions as it feels to be compatible with its overall interests. The idea that Hatoyama will put up a genuine fight for independence from United States domination is absurd.

As to the continuance of the conservative majority, that is largely due to political inertia, which is strong in Japan, just as it is in most other countries with reasonably settled political institutions and habits. The hard core of conservative strength lies in the countryside where feudal power relations have easily survived the Ladejinsky-style land reform of the postwar years, and in the absence of a social cataclysm this reservoir of political reaction will doubtless be an important, if not always dominant, feature of Japanese political life for a long time to come. In the meantime, what is really significant are the underlying trends in political sentiment and allegiance, those pointers which tell us what to expect five, ten, or twenty years from now. And when we look at the February election from *this* point of view, we see that it is the Left, not the Right, that captured the prizes.

The essential story can be told in two tables, one giving the composition of the outgoing and incoming Diets, the other comparing the popular vote in the 1953 and 1955 elections. (We are indebted to a correspondent in Tokyo for supplying us with the detailed figures.)

First, the composition of the two Diets:

	Outgoing Diet		*Incoming Diet*	
	No. seats	*% seats*	*No. seats*	*% seats**
Democrats	124	26.6	185	39.6
Liberals	180	38.5	113	24.4
Minor Parties**	11	2.4	8	1.7
TOTAL RIGHT	315	67.5	306	65.7
Left Socialists	74	15.8	89	19.1
Right Socialists	61	13.0	66	14.1
Farmer Laborites	5	1.1	4	0.9
Communists	1	0.2	2	0.4
TOTAL LEFT	141	30.1	161	34.5
Vacancies	11	2.4	0	—
GRAND TOTALS	467	100	467	100

* Details do not add up to totals because of rounding

** Includes independents; most of these deputies are conservatives

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Here we can see plainly that for all practical purposes the two conservative parties merely changed places in the Diet, while both major socialist parties made solid gains. The most noteworthy advance is that of the Left Socialists, who jumped from 74 to 89 seats, or from 15.8 to 19.1 percent of the total Diet membership. But even more important is the fact that the combined Left vote is now more than one third of the total, which is enough to block any constitutional amendments. Since legal rearmament is impossible without an amendment to the constitution, and since all the left-wing parties pledged themselves to fight rearmament, it is apparent that capture of one third of the Diet was a great victory for the Left and a body blow to United States policy of immediate Japanese rearmament. Further illegal arming will doubtless be carried out under American pressure, but the peaceful forces in Japan will find their position enormously strengthened through having not only morality but also legality on their side.

Next, let us look at the popular vote in the last two elections. Since the percentage distributions are not significantly different from those given in the previous table showing the composition of the old and new Diets, we omit these figures in order to concentrate on the most interesting aspect, namely, the increase in the total number of voters and the way the new voters divided themselves among the various parties.

	1953 election (millions of votes)		*1955 election (millions of votes)*		*Comparison (millions of votes)*
Democrats	9.2		13.5		+4.3
Liberals	13.5		9.8		—3.7
Minor Parties*	1.7		1.7		No change
TOTAL RIGHT		24.4		25.0	+0.6
Left Socialists	4.5		5.7		+1.2
Right Socialists	4.7		5.1		+0.4
Farmer Laborites	0.4		0.4		No change
Communists	0.7		0.8		+0.1
TOTAL LEFT		10.3		12.0	+1.7
GRAND TOTALS		34.7		37.0	+2.3

* Includes independents; most of these deputies are conservatives

From this table we see that there were well over two million more voters this year than in 1953 and that of these additional voters *nearly three times as many voted Left as voted Right.* It is apparent, in other words, that the gains of the Democrats were very largely at the expense of the Liberals and that the Right as a whole is attracting relatively few new followers (the 600,000 new right-wing votes representing a gain of merely 2.4 percent). On the other hand, new voters, who are presumably mostly younger people, are flocking to the banners of the socialist parties: the Left's 1.7 million additional

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votes amount to a healthy 16.5 percent gain between 1953 and 1955. From a long-run point of view, this is probably the most important fact to emerge from this year's election: in it, the Japanese ruling class can read its own *mene mene tekel.*

We must, of course, guard against overestimating the importance of election figures as such. Their value is largely symptomatic, and it is necessary to know more than the mere statistics to be sure that one is interpreting the symptoms aright. In the case of Japan, fortunately, all the surrounding evidence points to the conclusion that the electoral gains of the Left do in fact correspond to a genuine growth of socialist consciousness and militancy in the country as a whole. In this connection, perhaps the most important current development is the merger movement between the two big socialist parties. We reproduce here the "Reunification Resolution" passed recently by the two parties. Let the reader judge for himself whether it is not a document that reflects growing strength and confidence in the future. We quote verbatim from the January 25th issue of *Sohyo News,* a mimeographed newsletter published by the General Council of Trade Unions of Japan:

1. With a view to promotion of autonomous diplomacy, opposition to MSA rearmament, defense of the Peace Constitution, establishment of democracy and stabilization of the livelihood of the masses, we will realize, in accordance with the principle on which a political party for the working masses should be founded, prompt amalgamation of the Socialist Parties at this time, so as to concentrate the socialist political forces.

2. We will fight the coming general election as a showdown between the conservative and reformative camps under common policies for the establishment of a Socialist regime. In the coming special session of the Diet we will vote for a candidate for premiership jointly recommended, thereby materializing the reunification through joint struggle.

3. The reunited Socialist Party will smash up fascism in order to throw out capitalism in accordance with its primary object and, at the same time, will endeavor to materialize socialism through democratic and peaceful means and by setting up a clear distinction from the Communist Party.

The following steps shall be taken in preparation for the proposed merger:

(1) Within each of the two parties, a Preparatory Committee on Unification will be established centering around the Central Executive Committee.

(2) From among the Preparatory Committees, some number of Negotiating Committee men will be named for the two Parties to talk over matters relative to the platform, policies, Party management, organization, personnel affairs, etc.

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(3) The Preparatory Committees and the Negotiating Committees, after the General Election, will proceed with preparations for unification as mentioned above, and when the preparations are complete, a joint convention will be held on approval by the respective conventions.

Latest advices from Japan indicate that the electoral successes of the Left have spurred on the unity drive. There seems to be little doubt that Japan will soon have a united socialist party enjoying, like its much older West German counterpart, the support of at least one third of the country's electorate. And the prospects for further advance in Japan are clearly much brighter than they are in Germany.

Mr. Dulles may boast that Japan is a member in good standing of his "free world." If he ever stops to notice mere facts, it must disconcert him to see that, despite all obstacles, the Japanese people are marching in step with their fellow Asians toward a new social order. (March 15, 1955)

. . . For a long time the aborigines of the tropical forests here [Malaya] were friendly to the Communists. They gave the terrorists food and shelter and warned them when British patrols approached.

They liked the Communists because the guerrillas were kind to them. They gave them seeds and taught them how to improve their cultivation. The British had done little to help the aborigines.

Then the British realized that without the help of the natives it would be difficult to win the jungle war. For that reason places like Fort Dixon have been established by the British. In the fort there is a store for the natives. It sells colorful cloth, razor blades and knives.

A school has been established just outside the fort. Some medical care is given to the aborigines. Perhaps best of all from the natives' point of view, many of them have been armed with shotguns. They can use the shotguns to kill game or Communists, as they wish.

In this way a measure of contact with civilization has been achieved for perhaps 20,000 *of the* 50,000 *or* 60,000 *aborigines in Malaya.*

—Robert Alden in the *New York Times,* February 8, 1955

The measure of civilization.

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THE LABOR MERGER

BY RICHARD SASULY

When the AFL-CIO merger agreement was finally signed, on February 9 at Miami Beach, it had some of the impact of a surprise. And yet nothing of importance has stood in the way of the merger for at least two years past. Twenty years ago, when the CIO first broke off from the AFL, the two labor bodies fought bitterly. But both federations have changed during their twenty years of rivalry. Now at the end, their differences are minor.

Treating the merger agreement as a treaty ending warfare, the press hailed the AFL as a clear victor. This was natural enough since the AFL now outweighs the CIO 2-to-1 in membership, and the AFL will get the leading offices in the merged federation.

But the agreement also marked the triumph of some of the CIO's original principles. It was just a bit of added irony that John L. Lewis, the founder of the CIO and before that the strongest voice in the AFL, had no part in the Miami Beach negotiations.

In 1935, with the AFL claiming a membership of three million, Lewis said, "Organize the unorganized." The AFL council, a monument to inaction, said "No." Now, in 1955, the merged federation will have a membership of 15 million.

In 1935 and 1936, the labor bodies broke on the issue of industrial unionism. Without formally denouncing its own past, the AFL has long since decided to live with industrial unionism. In an article in the March 1955 issue of *Fortune* magazine, AFL President George Meany pointed out that AFL craft unions manage to operate on an industrial basis, in a field like atomic energy, by bargaining through joint councils. And he noted, too, the obvious fact that supposedly craft unions now hold plantwide contracts—as with the International Association of Machinists in the aircraft industry.

Both federations have also changed politically, and these changes truly paved the way for merger.

The CIO in the late 1930s pulled together everything radical in the American labor movement. That the CIO has since taken several long steps to the Right is clear. But the AFL has moved too—

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somewhat to the Left, and in the long run this change may prove more important.

Once upon a time, and the fact seems almost like a fable, the AFL opposed social security. That is to say, on at least one crucial issue, the main American labor body in 1930 stood farther to the Right than did Senator Robert A. Taft in 1950.

Meany, in his *Fortune* article, said that the AFL changed its mind about social security as a result of the depression. But it can be questioned whether the AFL learned more from the depression or from the realities of politics. By 1940, the AFL claimed a membership of about 4.2 million. This was a gain of a third over the 1935 figure, but in the meantime the CIO had broken into the basic industries. The CIO had accumulated about four million members too.

With roughly equal memberships, the CIO was far more aggressive and exerted more political leverage in the Roosevelt administrations. In 1940, when Franklin D. Roosevelt wanted a labor man for a ranking job in war production, he reached into the CIO and chose Sidney Hillman. Four years later, the phrase "clear it with Sidney" became a campaign jibe for the Republicans, but the CIO had already enjoyed its greatest power.

War production began in earnest in 1940. It has now continued with little slackening for 15 years. It shaped both labor bodies and prepared the way for their eventual reunion.

Corporation spokesmen talk of free enterprise. The CIO, before the war, practiced it. The CIO fought its way into the basic industries in head-on conflicts with the big companies. After 1940, though, unions lived in close quarters with the government. In the new world which came out of the war and pointed into the indefinite future—a world of controls and government boards and relatively full employment—the AFL was better adapted to survive and flourish.

It was at this time that the AFL took the clear lead in membership. On occasion it profited by being asked in through the back door to sign contracts, almost at employer request, to head off CIO unions. And the AFL adjusted itself to postwar politics.

Many of the old men of the AFL Council had been lifelong Republicans. They stayed on in the Council, still plump, pink-skinned, and oratorical, a mass demonstration of how long men can live without cares or responsibilities. But meanwhile the AFL as a whole had turned smoothly to Democratic politics. The language of AFL resolutions became essentially the language of Democratic conventions. The AFL, in its move leftward, toward the center of the Democratic party, met the CIO moving rightward. At that point, merger became only a matter of further time and personal maneuver.

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The actual steps leading to the merger agreement demonstrate how long ago the important issues had been resolved.

In September and October, 1949, the AFL and CIO differed on various municipal and other off-year election issues. William Green, for example, refused to share a platform with Philip Murray to speak on behalf of Democratic senatorial candidate Herbert H. Lehman of New York. But at its convention that fall, using the issues of foreign policy and support of Henry Wallace in 1948 as a bludgeon, the CIO drove out its own left wing. The next spring (April 19, 1950) United Mine Workers Vice President Thomas Kennedy observed matter-of-factly that prospects for joint labor action had looked up since the CIO chopped off its left wing. During May, 1950, the AFL Council was moving two ways at once on merger matters. On May 8, the council balked at Murray's plea for joint political action, but went ahead with naming a merger committee. And on May 22 President George M. Harrison, of the Brotherhood of Railway Clerks, said the AFL now was ready for joint action in politics.

Formal merger talks opened on July 26, 1950. The Korean War was then a month old. In a joint statement, Charles J. MacGowan of the AFL Boilermakers and CIO Vice President Allan S. Haywood agreed that because of "the disturbed world conditions and the march of Communism" the "necessity for organic unity is virtually a must."

Then the merger talks slipped several cogs. Jurisdictional disputes flared. The CIO found it hard to accept the junior position. By September, 1951, the AFL pulled out of a United Labor Policy Committee, and Murray angrily called the AFL leaders "fossils."

On November 9, 1952, Phil Murray died. Twelve days later Bill Green died. Merger talks picked up again in the winter of 1952-1953, under George Meany and Walter Reuther, successors to the two past leaders.

By 1954, a combination of mergers and no-raid agreements among unions brought the jurisdictional problem down to manageable size. Still the negotiations seemed to dawdle, until—by a final stroke of irony—the decisive move was made by the most synthetic labor leader of the period, David J. McDonald. McDonald now heads the union that Lewis and Murray organized and Murray inherited, the CIO United Steelworkers.

McDonald had been Murray's personal secretary. He backed Haywood for the CIO presidency in succession to Murray. At the CIO convention in 1953 he showed his enmity to the actual winner, Reuther, as publicly as possible. At the CIO convention the following year McDonald reappeared on the platform, but he spoke mainly

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about merger. And he turned up in Miami Beach in time for the AFL council's annual sunbake and winter meeting and in advance of the unity talks. He implied heavily, and no one contradicted him, that he had pulled the pin on Reuther and forced the merger agreement by threatening to start a procession from the CIO to the AFL, one union at a time. Just a few weeks later, Meany endorsed this implication. He attended a meeting of the Steelworkers executive board in Washington on March 2 and delivered an extemporaneous speech on the value of unity. The *AFL News Reporter* treated the visit as a major story. The *CIO News,* less sure of its future, handled the history-making event rather more circumspectly.

* * *

The big question now is: What will merger lead to? Of course either a war or a depression could knock out all calculations. As matters stand, the planners of the merged federation reckon with more tension internationally, and with stagnation in the domestic economy. Assuming they are right, things may be expected to shape up somewhat as follows:

Basic Philosophy. On this score, merger can make no difference in the immediate future. In the *Fortune* article, quoted above, Meany takes his stand on the old AFL platform. "Our goals as trade unionists are modest," he says, "for we do not seek to recast American society in any particular doctrinaire or ideological image." Elsewhere in the article he takes this position a step further, saying, "We believe in the American profit system. We believe in free competition."

The CIO was never a socialist organization, of course. But there were socialists of various kinds and Communists in it, and its leaders allowed themselves pointed questions about the American profit system. For that matter, it may be remembered that even the Democratic Party in California in 1938 talked about "production for use." The socialistic tinge in the phrase was intentional. It is doubtful if many CIO leaders today would use such language. The particular CIO leader who kicked off the last stage of merger negotiations, McDonald, could give Meany a ten minute headstart and still bring a Chamber of Commerce audience more quickly to its feet cheering for the profit system.

Collective Bargaining. In a joint statement after the signing of the February 9th agreement, Meany and Reuther said: "They [AFL and CIO unions] will continue under this plan to conduct their own individual collective bargaining with employers, as in the past."

The AFL has rarely taken a hand in its affiliates' national disputes. The CIO did so only in the beginning, when many of the first contracts in basic industries were signed directly by Lewis for the CIO as a whole.

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The structures of the AFL and CIO have reflected this difference. The CIO was set up to carry on organizing drives. It has collected higher per capita dues from member unions. The merged federation will, according to the agreement, parallel the old AFL set-up for the most part. The lower AFL per capita will be charged

If, as seems likely, the merged federation follows the pattern of AFL operations, affiliated unions will continue to win in bargaining what they can get on the basis of their own strength, the opposing strength of managements, and the state of their respective industries. But in addition, they should be helped by stronger central labor bodies, and they can be helped by more efficient political action. Picket lines should be more generally respected.

And one more thing must be said, perhaps most important of all. A fleet in being always affects naval strategy, no matter how long the ships have swung at anchor in port. In the same way, a single labor federation of 15 million workers, by its very existence, must have an effect on every bargaining session, organizing drive, or strike. This is much more than a matter of prestige. It involves the silent, continuous threat that somehow, some day, the strength of an entire labor army of 15 million can be mobilized to support a critical fight on one sector. It is this which explains National Association of Manufacturers' statements *against* the merger agreement, although government officials, for reasons of their own, have generally favored it, at least publicly.

Jurisdictional Fights and Autonomy. The merger cannot be expected to end jurisdictional fights. Dave Beck has said so. The head of the International Brotherhood of Teamsters, probably the strongest union in the country, endorsed the merger agreement but added, "I have some reservations about the merger" because of "thousands of men doing the work of teamsters who are now in other unions." Raids take place among AFL unions as well as between AFL and CIO. But certainly merger will eliminate *some* causes of raids. It will extend the coverage of present no-raid pacts. And meanwhile, the Teamsters have been signing joint organizing agreements with other unions (seven, as of March) which settle jurisdictional matters according to the Teamsters' own formula.

To expect merger to end raiding is unrealistic, if only because it overlooks the looseness of the AFL and the autonomy AFL unions have always insisted upon. The CIO, on the other hand, has operated as a fairly tight and stable bloc, except for the 1949 expulsions. AFL unions, however, have often enough left the Federation and returned again.

It is to be expected that independent unions will continue outside the merged federation. The United Mine Workers, now inde-

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pendent, have long since demonstrated that whether inside or outside a major federation, they have nothing to fear except the state of their own industry. The independent railroad brotherhoods have what amounts to a federation of their own. The other independents, including four unions remaining from the CIO expulsions, will probably find themselves under increasing pressure to seek mergers with other unions.

Foreign Policy. Concerning foreign affairs, the CIO is more conservative than it used to be, and the AFL is more conservative than the CIO ever was. The AFL statements on the Far East sound a little like those of Senator William F. Knowland of California. The CIO purged itself of the coexistence heresy in 1949, but it has remained firm against preventive war. The AFL made no secret of its participation in preparation of the June 1953 uprising in East Germany. The CIO, by and large, has stayed closer to the moderate position of the British labor movement. The AFL *never* accepted alliance with the Russians: even the 1942 AFL convention rebuffed dealings with Soviet trade unions, and after World War II the AFL refused to join the World Federation of Trade Unions. In fact, the AFL formed the organizing center for the simon-pure anti-Communist International Confederation of Free Trade Unions. The CIO, along with the British unions, originally joined the WFTU, and yanking it out of the WFTU became a high priority State Department project—as delegates to the CIO's 1947 convention in Boston observed when they saw that no less a figure than General George C. Marshall had come to speak to them.

One of the curiosities of labor conventions in the postwar years has been how much time at the podium was given to foreign matters and foreign speakers—and how little attention was paid to these things on the convention floor. At some point, however, the membership may make its influence felt, one way or another. But until then, the AFL foreign department should be able to maintain its grip within the merged federation.

Civil Liberties. When the House Un-American Activities Committee set up shop shortly before World War II, it selected the CIO as one of its chief targets. The AFL endorsed the Committee regularly at its conventions, as recently, for example, as 1946. Now the Committee no longer attacks the CIO as such; it attacks only those unions which have been attacked by other unions. And the AFL does not endorse the Committee.

A typical, current AFL statement on civil liberties is the following, approved by the 1953 convention, the first after Green's death: "Clearly, Communism is a conspiracy subversive to our way of life. . . . A free society . . . must devise new methods to protect itself

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against such a conspiratorial threat. . . . But our means of doing so must be carefully designed and soberly used. . . . Exposure and the determination of guilt must be made both speedy and conclusive, but only with full observance of the due process of law." This is the voice of the cold war at home.

But attitudes may change, if and when organizers for the merged federation find they must fight it out in the South. When loyal sons of the International Brotherhood of Teamsters are called "red" and are driven bodily out of town, convention resolutions may take on a different tone and meaning.

Organizing the Unorganized. The merged federation will have five times the membership of the AFL before the split in 1935. Still, vast unorganized areas remain in American industry. To some extent, these are in the newer, high-profit industries—chemicals, for example. Clearly, the most important area as a whole is the South.

In his *Fortune* article, Meany sounded most aggressive in connection with plants running away to the South. He said labor today is beginning to "question the unilateral right of management . . . to stipulate the location of plant." He referred approvingly to the recent Hatters' strike in Norwalk, Connecticut, which was aimed at stopping a runaway. However, no amount of campaigning in the North—and no feasible amendment of the wage-hour law—is going to stop the runaways, until the South is organized.

It is hard to exaggerate the importance of plant relocation in the economy today. It could severely damage the merged federation —unless the South is organized. And it would be unfair to say the AFL and CIO have not realized this. The AFL itself kicked off a southern organizing drive immediately after World War II, at a meeting in Asheville, N. C. However, neither the AFL drive nor the CIO "Operation Dixie" succeeded. The same questions remain to confront the merged federation: Will it be willing to tackle organization of Negroes and whites together? Will it take on an all-out fight against old fashioned, force-and-violence employers? And can it learn to organize in the old CIO pattern, which it will be remembered consisted of Lewis's militant leadership, lots of money from the established unions, the zeal and dedication of a crusade, and work by a band of organizers, including many left wingers, who accepted abuse, hardship, and danger in order to build unions?

Politics. The AFL Labor's League for Political Education and the CIO Political Action Committee came close to unity even before the merger agreement. By and large, LLPE and PAC endorsed the same candidates and wrote the same programs. In many areas they conducted joint campaigns. It was a sign of the times, in fact, that politics showed the way to labor unity.

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This is not to say that the merged federation will therefore be able to keep on with "politics as usual." Meany's article in *Fortune* said that labor is not tied to the Democratic party. He did not directly threaten the formation of a labor party, but he did say that "labor will go as far as it must down that political road"—that is, toward a third party.

Without doubt, the tie to the Democratic party represents the easiest present course for labor politicians. In some respects it is also the most effective. But that tie must undergo quite obvious strains. For example, labor bodies cannot perpetually endorse Democrats for their publicly stated labor programs—only to find that Congresses organized by Democrats do not pass those programs. Eventually this cannot be explained to the rank and file, who are voters as well as dues-payers. The result, at the least, is apathy, and a further result is bound to be evaporation of the labor vote as such.

At this point, the organizing and political problems of the merged federation come together. The South industrially is the magnet for runaway plants. At the same time, the Southern wing of the Democratic Party stands as a built-in, permanent protection for employer interests in politics. The merged federation may have to settle its own future in the South.

Trade unionism has become a vital part of American life. The activities of the American labor movement have brought about social and economic reforms which have enriched the lives not only of union members but of millions of other Americans.

Union efforts to help strengthen our general welfare, our national prosperity and our democracy have earned sincere gratitude among our people.

—President Dwight D. Eisenhower, December, 1954

Though making a great many poor people, or even a few, somewhat more comfortable than they are now, somewhat less miserable, is not in itself a light good; yet it would be a heavy evil, if it did anything towards dulling the efforts of the whole class of workers towards the winning of a real society of equals.

—William Morris

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WHAT PRICE SOCIALISM?

BY HARVEY O'CONNOR

G. D. H. Cole, the Grand Old Man of British socialism, posing the awkward dilemmas of the world socialist movement, has asked for the creation of a World Order of Socialists. In two articles in *The New Statesman & Nation* (January 15, 22, 1955), he surveys the ruins of the socialist movement in Western Europe and declares, in effect, that socialism cannot be achieved by parliamentary methods, country by country.

Anti-war Socialism foundered on the rocks of World War I and has never been reconstituted. To reject war as an instrument of national policy, Cole believes, would cost socialist and labor parties votes and perhaps even their parliamentary status, so strong is the tide of nationalism in stream.

The devotion of these parties to parliamentarism means that they dare not alienate any sizable group of voters who may be won over; they have become the victims of the parliamentary democracy by which they live. In Scandinavia and Britain, these parties have achieved the Welfare State by taxing the rich, establishing social security, and using government to intervene in economic development. Beyond this they cannot go without endangering the basis of capitalistic economy.

". . . they must limit themselves," writes Cole, "to measures that do not cost a great deal, because there is not very much more that can be extracted from the rich without knocking away the foundations of capitalist enterprise—and this can be risked only if it can be immediately replaced by Socialist institutions they have no prospect of getting an electoral mandate to set up, even if they knew how to do it."

The Comintern at the beginning renounced hope of early quest of political power in Western Europe rather than to seek piecemeal socialism "at the price of offering to each electorate what it wanted, or could be induced to accept." Later the Soviets went for "socialism in one country" and the international Communist movement, ac-

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cording to Cole, adopted the policy that what was good for the Soviet Union was good for the proletariat of the whole world.

What then? Cole returns to first principles, seeking to define his concept of socialism. It is *not* the Welfare State based on capitalist profit-making. It is, he believes, social equality, applied to all nations. But this concept, he admits, can never win a parliamentary majority in any country unless the electorate is already socialist. No majority anywhere will ever favor an equal sharing of resources among all the peoples of the earth; certainly the British will not vote a lowering of their standard of living on behalf of the Pakistani, the Indonesians, or the Hottentots.

"I believe," Cole writes, "that we have reached a point at which there is no prospect of rescuing Socialism from its imprisonment within national frontiers—which in fact stultify it even on the national plane—except by re-creating an international Socialist movement, not as a federation of national parties, but rather as a crusade of a devoted minority in every country." This World Order of Socialists would make its stand uncompromisingly for international peace. It would have "no ambition to form Governments, or to carry its program into effect by assuming power in any shape. Its purpose would be to influence, not to execute."

Cole indicates a start either through an international conference or through forming a nucleus in Britain and securing adherents elsewhere, based on a program in which "peace and international friendship, and therewith international 'war on want,' and a wide toleration of varying democratic 'ways of life,' would obviously have to take the leading place."

"There used to be a vision," Cole sums up, "which put heart into our earlier struggles, of a world made alive by the sense of human fellowship—a world in which fellowship would be the first great lesson taught at school and the first principle of men's daily intercourse. If that vision has been irreparably lost, Socialism is lost with it; for Socialism, in essence, is a thing of the spirit, and not a mere machinery of social control. But I cannot believe men so changed in spirit that they cannot be stirred afresh by the Socialist gospel if only a few of them can get together across national frontiers to redefine it in modern terms and to offer it the devotion of their lives."

Can it be that Cole is mourning the passing of 19th century socialism? In its place he finds the pallid politicians of laborism cozening up to timid voters, and the ruthless power men of Communism who waste very little time on sentiment. Is there no place between, he seems to ask. It is a good question, and if his proposal for a world meeting of socialist lonelyhearts seems hardly the answer,

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it is because socialists, both upper-case and lower-case, have been refusing for a few decades to be frank with themselves on the issue. If power is our aim in order to achieve what we want, do we presume to get it through the votes of a populace doped and paralyzed by the enemy? If not, what then? Are we, like Micawber, just waiting for something better to turn up?

One clear call in Cole's swansong is that men of good will of all lands, devoted to socialism, both on one side and the other of any curtain, should clasp hands and work together for the human race. If, approaching the end of a long and vigorous life in the service of socialism, he is still looking for answers to the dilemma of power and principle, he differs not a whit from many of the rest of us.

What price are we willing to pay for socialism?

ON SYMBOLIC GROUPS—A NEW CONCEPT IN AMERICAN SOCIOLOGY

BY PAUL BRESLOW

Truth is sometimes obvious, or at least, relative truth is relatively obvious. Which leads us to our problem. Social scientists—especially social psychologists, political scientists, sociologists, and home economists—have, for more than fifty years, placed an exceptional degree of scientific confidence in that concept of social organization which, with the passage of the years, has come to be known as the GROUP.

It has been discovered that there exist all kinds of groups: sewing circles, vegetarian leagues, salmon-fishing clubs, governments, student groups, baseball leagues, cooking classes, children, and so on.

The following points about groups, established in earlier investigations, should be recalled:

(1) They are basically similar in that they share the common role of a unifying social factor among the myriad social entities, or people, who through interaction in socionormal relationships form morphologically variant but functionally similar entelechies. That is, they share the characteristic of *groupness.*

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(2) They are historically relative to one another and to themselves. What is a group today may not be a group tomorrow or yesterday. What is not a group may become a group through its own social inertia or through collectively conscious will, or both, depending in part upon that intangible personality trait, which associates of Riesman have called *groupy direction.*

(3) Groups have a certain amount of power over their constituent entities. This power always contains an element of exclusiveness, since a person in one group is potentially a member of fewer other groups. (The precise mathematical relationship is being studied, although no conclusive results have as yet been published.) The reason for this phenomenon is that the number of groups in which a social entity (person) may participate is finite.

(4) Some groups have more power over their members than other groups. Most curious in this respect is the governmental group, or state, although other groups may sometimes exercise life-or-death power over their members. Many miners, for example, have perished in explosions. Yet, because of the power of the group, a large number of persons continue their association with mining. This characteristic is known as the *group ascendancy factor,* or GA_2.

The groups of present concern are those which have hitherto been neglected, except in some of the German literature on the subject. I shall not burden the lay reader with a discussion of this literature which is available in three volumes for the perusal of the student. (*Was Hat Marx Gehabt?,* Glencoe, Illinois, 1954.)

The chief significance of this material lies in its discovery of the *symbolic group,* a relatively new type of social group characteristic of modern industrial civilization. The symbolic group may be defined as that group which exists by virtue of the identification of social entities with one another and with their object, the group-symbol. This is largely a result of advertising and its subsidiaries, the mass-media. For example, all of those persons who have taken to wearing an eye patch after having seen advertisements for Hathaway shirts constitute a primary symbolic-group. Those who do not as yet wear an eye patch but who have considered it are members of a symbolic group of the secondary type. The classification is thus dependent upon the degree to which the group symbol stimulates a response in the audience exposed to it.

A precise formulation of this view is of obvious necessity, and the author has begun research toward a complete theoretical elaboration. The following experiment is presented, although it is but one of a series of projects, since it indicates our approach and general orientation:

A recording of a full orchestra playing the theme, "Pabst's

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Blue Ribbon Beer," was played to a group of randomly selected subjects in Metuchen, New Jersey. In order to determine the extent to which these subjects formed a symbolic group, a tavern was constructed adjoining the testing-room. The number of persons who left the hall and entered the tavern in order to purchase the beer which is the subject of the musical composition was recorded by a researcher trained in psychiatric interviewing techniques, who had disguised himself as a bartender. (The text of these interviews is being published under the title, "The Grasping Multitudes.")

Although classification of the results is incomplete, it may be said that a surprisingly large number of subjects were strongly influenced. Not only was a large primary group formed, but two subjects went so far as to purchase a case of the beer, consume it, and themselves sing the theme. A secondary group also formed, composed largely of deviant personality types, who were indecisive in their requests for beer, not necessarily specifying any brand, but decisive in their desire for beer.

Space prevents a fuller discussion of the problem, although it is submitted that its importance has been indicated and its scope defined. Let us hope that as American sociologists to an increasingly great extent concern themselves with the real problems of group theory, we shall come closer and closer to that formulation of positive social law which underlies all of man's activity and which has been for us, as for Comte, the final, ultimate goal of scientific investigation.

HOTEL BARS NEGROES FROM LINCOLN DINNER

Miami, Feb. 13—*Negroes were forced to leave a Republican dinner here last night celebrating the birth of the Emancipator of the slaves. . . .*

—*New York Times,* February 14, 1955

A "free world" celebration?

Yesterday Mr. Cohn denied—flatly, vehemently and repeatedly—that he never suggested to Matusow that Matusow make false statements.

—*New York World-Telegram and Sun,* March 3, 1955

Aesopian language?

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WORLD EVENTS

By Scott Nearing

"Defense" of Asia

"8 Countries Meet on Asian Defense in Bangkok Talks" headlined the *New York Times* on February 23, 1955. The eight countries were the United States, Britain, France, Australia, New Zealand, Pakistan, Thailand, and the Philippines.

"Asian defense," under the leadership of two of the chief 19th century colonial powers, whipped into line by exponents of United States world domination during the American Century, may not offend North American ears, but it has aroused widespread concern in Britain and France and stubborn opposition in Asia. SEATO does not have the support of a single important Asian power. Peking spokesmen have denounced it as another attempt to re-establish western positions of military strength on the continent of Asia. Prime Minister Nehru, champion of an "Asia for Asians" policy, has protested vigorously against the further "invasion" of Asia by western armed forces.

Secretary Dulles may gloss over the situation by referring to the Manila SEATO agreement as "an important step toward laying the ghost of Western colonialism," but two stubborn facts belie his words. First is the shameful historical record of Western conquest, pillage, domination, and exploitation of the Asian mainland and the adjacent islands. With this record of aggression went the wholesale humiliation and degradation of Asian peoples by their western imperial overlords. The record goes back through four centuries and involves Western depredations in the Americas, Africa, and Australasia, as well as Asia. Nothing that Secretary Dulles can say will alter one line of this infamous story which is written, not alone in books, but in the folklore of Asia and on the memories of Asians.

The second fact is equally stubborn. Mr. Dulles summarized it during the Bangkok talks when he stated that United States armed forces, stationed today in the Far East, are stronger than they were even during the progress of the Korean War. These United States armed forces are based on the Aleutian Islands, in Japan, on the Pacific islands which Japan occupied until 1944, in South Korea, in the Philippines, and in Formosa. This "island chain" gives the United States control of the entire Asian seafront, from Vladivostok

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to Singapore. No matter how often Mr. Dulles may utter the word "peace," the fact remains that the sea approaches to the Far East are dominated and controlled by the armed forces of a single foreign, western power, quartered on Asian territory.

Since 1945, Western military forces have been driven out of large sections of Asia, but Western nations, led by the United States, continue to hold military outposts like Hong Kong, Singapore, and the Philippines. Recently they have enlarged their military control by adding bases in Japan, South Korea, and Formosa.

These facts, which speak for themselves, are supplemented by the threatening words of Senator Knowland, Admiral Radford, the Secretary of State, and by President Eisenhower on January 24, 1955, when he told Congress that Formosa is an essential link in "the island chain of the western Pacific that constitutes, for the United States and other free nations, the geographical backbone of their security structure in that ocean," and that "the United States must remove any doubt of our readiness to fight, if necessary, to preserve the vital stake of the free world in a free Formosa." The United States has implemented these bellicose words by massing in and near Formosa a vast military expedition.

Such utterances and acts must make it abundantly clear that the Western powers who control SEATO, with its thin facade of three dependent, relatively inconsequential Asian nations, are seeking to defend, not Southeast Asia, but Western economic interests and Western military outposts in that area. The same Western powers which subjugated and dominated Asia and Africa through the past four centuries are attempting, with aid from the United States, to retain their present toeholds in Asia and, if all goes as they wish, to regain and enlarge their former privileged position. Double talk about "Asian defense" need fool no one. The *New York Times* and Secretary Dulles both know that the armed forces of the United States are in and about Formosa and the neighboring bases to safeguard Western profit-seekers in their aggressive efforts to regain control of Asian raw materials, markets, and sources of cheap labor power.

Re-grouping in the Soviet Union

Western strategic moves in Southeast Asia are parts of a carefully developed planet-wide plan to defeat and destroy efforts to build a collective alternative to capitalist imperialism. One of the essential elements in this plan is the immediate rearming of Germany and the ultimate rearming of Japan. These projects, like the military occupation of Southeast Asia by United States armed forces, are being pushed to completion by the Washington government. The military occupation of Southeast Asia is a thrust at the vitals of the

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Chinese Peoples Republic, as the rearmament of Germany is a thrust at the vitals of the Soviet Union.

There can be no two opinions on this matter. The use of the word "defense" in connection with German rearmament (European Defense Community, for example) need deceive no one. United States top political and military policy makers do not hesitate to designate the Soviet Union as The Enemy. This has been the burden of the anti-Communist compaign since 1946.

Throughout the 1946-55 decade, Soviet spokesmen have met this cold-war drive against the USSR by a variety of diplomatic moves, including proposals for arms limitation and for disarmament, for action through the United Nations to ease tensions, for a pan-European defense organization, for German reunification. Western powers, led by the United States, countered these moves by the nations engaged in socialist construction by scattering military bases around the Soviet Union and along the coasts of Asia, building up NATO and the Western European Union, and insisting upon the rearmament of Germany.

German disarmament was agreed upon by the representatives of Britain, the Soviet Union, and the United States at the Potsdam Conference in 1945. By 1950, United States officials were tentatively proposing German rearmament. Soviet spokesmen countered such suggestions with the statement that the Soviet Union could not permit the rearmament of Germany. During the past two years the rearmament of Germany has become a cardinal feature of United States policy in Europe.

After Stalin's death, Malenkov inaugurated a policy of consumer goods production at home and peaceful co-existence abroad. The United States retorted to these overtures with the military occupation of Formosa and a drive for immediate German rearmament. The Soviet Union made the next move: Malenkov, a civilian, was replaced by Marshal Bulganin. Zhukov, another military leader, stepped in as Minister of Defense. Policy was realigned with an increase in the military budget and a re-emphasis on the development of heavy industry. In speeches before the Supreme Soviet, Bulganin, Molotov, and others declared, in effect, that if the West insisted on a military solution of world tensions, the Soviet Union was ready to join battle. The Soviet Union and the Peoples Republic of China reaffirmed their alliance. Nine years of "get tough with Russia" policy led to their inescapable conclusion—preparations for a shooting war.

President Eisenhower, in his press conference of February 9, 1955, volunteered this comment on the changes in Soviet leadership and the emergence of the military as top-ranking policymakers: "We know, of course, when any major change of that kind takes place,

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that it does express dissatisfaction with what has been going on internally." There is little evidence to support such a conclusion. On the contrary, it seems clear that the shift in Soviet top leadership is an answer to the war policies of the Washington government.

East-West Trade—An Acid Test

United States foreign policy has been tested out in several recent episodes—the Korean War, June 1950; the Japanese Peace Treaty, 1951; the unsuccessful two-year struggle for a European Defense Community; Washington's effort to prolong and win the Indo-China War. None of these episodes has been more revealing than the efforts of the Washington government to restrict East-West trade as a means of starving the Communist nations into submission.

Congress cooperated in this effort by passing the Mutual Defense Assistance Control Act (Battle Act) empowering the administration to cut off "military, economic or financial assistance to any nation unless it applies an embargo on such shipments to any nation or combination of nations threatening the security of the United States, including the USSR and all countries under its domination." The words "such shipments" referred to a list of materials which, in the opinion of the Washington government, would strengthen the Communist nations.

The economic boycott prescribed in the Battle Act was designed to hamper the development of the Communist nations. In practice, it has backfired against the United States.

East-West trade by caravan and water routes extends far back into history. More recently, the industrialized West has exchanged its manufactures for food and raw materials produced in Eastern Europe and Asia. Latterly, an industrialized Japan became more and more dependent upon the Asian mainland as a market for goods, an outlet for capital, and a source of foodstuffs and raw products.

There is one outstanding difference between the United States on the one hand and countries such as Britain and Japan on the other. For the United States, foreign trade is a sort of luxury—pleasant and comforting to have, but easily dispensable. For Britain and Japan, which import much of their food and most of their raw materials, foreign trade is a basic essential.

Such foreign trade, to be effective, must take place with a country or an area which will accept British and Japanese manufactures in exchange for its raw products. This category includes exactly those countries in Eastern Europe and Asia which the Battle Act was designed to harm. Consequently, Washington was asking London and Tokyo to follow suicidal policies.

Washington, in a word, was proposing, by a legislative act, to

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cut across long-established and essential economic relationships. Here was a splendid test of the relative strength of political and economic forces.

Informed people predicted the result. The economic forces swept through the parliamentary prohibitions as a flood sweeps through wickerwork. Some of the trade was clandestine. In other cases it was continued in open defiance of the Congressional mandate. Both Presidents Truman and Eisenhower were compelled to relax the Battle Act in its application to some of the most important of Washington's allies. In 1954, the restrictions were eased, as East-West trade mounted.

Western powers have taken various steps to restrict the spread of social planning and socialist construction in the non-industrialized world. From a refusal of export licenses, to the United States-sponsored blockades of continental Chinese ports by the Chiang Government, they have proved ineffective. Worse than that, the failure has held the Washington government up to ridicule, first for adopting such ineffective measures, and second, for failing to enforce them once they were on the statute books.

Anti-Americanism is growing abroad for a number of reasons. Not the least among them is the political ineptitude and inexperience displayed in the passage and attempted enforcement of legislative measures designed to change the course of history by parliamentary duress.

Time and History Wait for No Man

Two nations lead the opposing factions in the cold war of 1946-1955. Both have risen during less than half a century from positions of second- or third-rate importance. Today they occupy the center of the power-politics stage. One of these nations, the United States, champions the form of economic, political, and social life which dominated the West during the latter half of the 19th century. The other, the Soviet Union, speaks and acts for economic, political, and social forms that have entered world politics since 1917.

Since the war's end in 1945, under the titular leadership of Presidents Truman and Eisenhower, the United States Oligarchy has followed a program that has two general purposes. The primary purpose is to establish and strengthen United States world leadership. The secondary purpose is to contain, restrict, and destroy Communism. Beside these general purposes, Washington's policy has had various tactical objectives such as (1) building good will abroad for the United States and its policies, (2) holding old allies and gaining new ones, (3) maintaining control of Southeast Asia, (4) rearming West Germany and Japan, (5) blockading China economically and politically, (6) herding the twenty Latin American republics away

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from paths that lead toward collectivism, and (7) splitting the Communist bloc by stirring up unrest and organized opposition to the Soviet governments in Russia and Eastern Europe.

Has the Truman-Eisenhower policy improved the prestige-power position of the United States, won it dependable allies, and enabled it to move toward its tactical objectives?

Present-day United States policies have reduced good will abroad. This is the case in the countries behind the Iron Curtain. It is equally true for the thirty Asian-African nations which expect to meet in Indonesia during April, 1955. Ironically enough, it is almost equally true of France and Italy and even of Great Britain.

United States foreign policy has not brought unity and harmony to the West. Intensified competition for raw materials and world markets, the sharp publicly-aired differences between Britain and the United States during the past two years, point toward disagreement rather than agreement.

The Truman-Eisenhower program for American world leadership has been equally unsuccessful in limiting the spread of Communism. Beginning at the zero point of political authority in 1917, Communism has spread across Europe, Asia, Latin America, and Africa. Twenty-five years ago, there was no Communist world. Today it embraces more than a third of mankind.

America's program for world leadership flies in the face of historical forces which, centering in the techniques of mass production, have made business-for-profit and war-for-power as obsolete as the pine-knot torch. The scarcity economy of capitalism and its political dreams of world domination have been rendered improbable or impossible by the discoveries and inventions of the last two centuries and by the world sweep of colonial revolt and social revolution of the past fifty years.

There is no indication that the United States Oligarchy possesses the capabilities or the experience required for successful world leadership. Even though it had the talent and the experience, it could not hope to perpetuate the life-span of social institutions whose historical reason for existence has largely disappeared.

Considered from the larger viewpoint of human and world historical forces, the United States oligarchs demanded admission to the power-politics gambling ring after destiny had called time on the life pattern of which capitalist imperialism is the chief contemporary example. The American oligarchs, in their bid for world leadership, are as pathetic as a pile of dry autumn leaves throwing their weight against the winds of late October.

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(*continued from inside front cover*)

magazines, than for regular subs. The renewal rate for regular subs continues to be very high—higher than that of any other publication we know. We don't like to see circulation drop at all, for any kind of subs—that's why we sounded the alarm last month. It wasn't a false alarm, but it may have been too shrill.

Arbeit und Wirtschaft, official organ of the Austrian trade unions, ran a three-column commentary on the Sweezy case in its issue of January 1 which is especially noteworthy because of the unquestionably conservative character of the Austrian Social Democratic movement, of which the unions are a part. We quote the final paragraph: "Not only intelligent America but also the intelligent world of Europe is following with interest the development of the Sweezy case, which is now on appeal. This case will provide the world with evidence whether the setbacks suffered by McCarthyism reflect merely an attempt to remove its most repulsive outward manifestations, or whether they reach down deeper to where the evil really resides." We only wish there were more signs of "intelligent America's" interest in the case.

In this connection, let us remind you again that copies of the printed record on which the appeal is being taken to the New Hampshire Supreme Court are available from us at $10 each, the proceeds to be used to help meet defense costs. Quite a number of law firms have already ordered copies, and we would like to suggest that all lawyers who have anything to do with civil liberties work would find it a useful document to have in their possession.

The "Review of the Month Forum," organized about a year ago by a group of MR readers in Detroit, has met with such success that it now feels able to undertake a three-day institute on the fundamentals of Marxian socialism. The institute will take place on April 8, 9, and 10 at the Co-op Community Center and will be organized around three lectures by Scott Nearing. For details, phone the Center (TE 2-8245).

Leo Huberman leaves for his western trip on March 24th and by the time this issue is in print will already have reached the West Coast. Many meetings, private and public, are already on his schedule, and still others await only the final arrangement of details. Readers in the Los Angeles and Chicago areas should note the following evenings on which public meetings will be held:

—*Los Angeles*:
Friday evening, April 22, "Behind The Labor Problem Today."
Unitarian Fellowship For Social Justice, 2936 West 8th St., Los Angeles, 5.

—*Chicago*:
Friday evening, April 29, "The Sweezy Case."
Fine Arts Bldg., 410 S. Michigan Avenue, Chicago.

Please plan to come yourselves and bring some non-MR-reading friends, especially those who may be interested in subscribing.

Great news! Monthly Review Associates have just received word from Reverend Stephen H. Fritchman of the First Unitarian Church in Los Angeles that he accepts their invitation to be the featured speaker at the annual MR Birthday Party this year. The date is Monday, May 16, 8:30 P.M. at the Heywood Broun Room of the American Newspaper Guild, 133 W. 44 St., N. Y. Other speakers: Leo Huberman and Paul Sweezy. Chairman: Henry Pratt Fairchild. Admission: $1 in advance, $1.25 at the door, Associates free. We expect a capacity crowd—send for your tickets right away.

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